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INFO ARAB ISRAELI COLLECTIVE

CONFIDENTIAL TEL AVIV 004914

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E.O. 12958: DECL: 04/28/2011 TAGS: <u>PREL PGOV PINR IS KPAL IR SY LE IZ</u> SUBJECT: OLMERT TELLS CODEL DODD/KERRY HE IS READY TO MEET ABBAS AND IMPROVE QUALITY OF LIFE FOR PALESTINIANS

CLASSIFIED BY: CHARGE D'AFFAIRES GENE A. CRETZ. REASON 1.4 (B/D)

(C) SUMMARY: SENATORS CHRISTOPHER DODD (CT) AND JOHN KERRY (MA) DISCUSSED THE CHALLENGE FACED BY THE U.S. AND ISRAEL IN DEALING WITH EXTREMISTS IN THE MIDDLE EAST WITH ISRAELI PRIME MINISTER EHUD OLMERT ON DECEMBER 21. AT THE TOP OF THEIR MEETING, SENATORS DODD AND KERRY AND PRIME MINISTER (PM) OLMERT RECALLED THE TRAGIC HISTORIES OF MANY LEBANESE POLITICAL FAMILIES, INCLUDING THE HARIRIS, GEMAYELS, AND CHAMAOUNS, AND DISCUSSED HOW BEST TO ENGAGE THE SYRIAN REGIME, PARTICULARLY ON THE ISSUE OF LEBANON. ON THE PALESTINIAN ISSUE, OLMERT INDICATED HE WOULD MEET PA PRESIDENT ABBAS SOON -- PERHAPS AS EARLY AS THE NEW YEAR --AND THAT ISRAEL WOULD BE FORTHCOMING ON MOVEMENT AND ACCESS ISSUES THAT STOOD TO IMPROVE THE QUALITY OF LIFE FOR PALESTINIANS. THE CODEL ENCOURAGED OLMERT TO SEIZE THE OPPORTUNITY POSED BY THE RISE OF THE IRANIAN THREAT TO RALLY ARAB STATES, BUT THE SENATORS ALSO EXPRESSED THEIR DISAPPOINTMENT WITH THE POLITICAL SKILLS OF MODERATE ARAB LEADERS IN THE REGION. END SUMMARY.

## CONS AND PROS OF ENGAGING SYRIA

- 12. (C) AFTER THE SENATORS NOTED THEIR DECEMBER 20 MEETING WITH THE SYRIAN PRESIDENT, PM OLMERT SAID HE DID NOT WANT TO GIVE AL-ASAD THE "AURA OF A PEACEMAKER" SINCE HE HAD DONE NOTHING TO DESERVE IT. OLMERT ASSERTED HIS PERSONAL VIEW THAT COLLABORATION BETWEEN IRAN AND SYRIA IS "FAR MORE DANGEROUS AND THREATENING THAN WHAT WEVE KNOWN" AND WENT ON TO DESCRIBE HIS REASONS FOR NOT COMMENCING DIALOGUE WITH SYRIAN PRESIDENT BASHAR AL-ASAD A PRIORITY:
- -- HES TRYING TO OVERTHROW THE GOVERNMENT OF LEBANON, AND SUPPORTS HIZBALLAH.
- -- HE SPONSORS HAMAS LEADER KHALED MESHAL, WHO HAS PREVENTED AN AGREEMENT BETWEEN PA PRESIDENT ABBAS AND THE PA GOVERNMENT AND, CONSEQUENTLY, HAS PROBABLY HELPED MOVE THE PALESTINIANS CLOSER TO CIVIL WAR.
- -- HE HELPS TERRORISTS GO TO IRAQ AND KILL AMERICAN SOLDIERS.
- -- HE HAS AN ALLIANCE WITH IRAN.
- 13. (C) IN RESPONSE TO OLMERT, SENATOR DODD AGREED THAT AT THIS TIME IT WOULD BE INADVISABLE FOR THE ISRAELI PRIME MINISTER TO DEVELOP A BILATERAL RELATIONSHIP WITH ASAD, BUT CONTACTS AT THE LOWER LEVEL SHOULD BE EXPLORED. SENATOR DODD ALSO ARTICULATED A CASE FOR THIRD PARTIES SUCH AS THE U.S. TO PRESS THE SYRIAN REGIME ON SUCH ISSUES. SENATOR DODD INFORMED OLMERT THAT THE CODEL HAD PRESSED ASAD PARTICULARLY HARD ON HIS MOST SENSITIVE SUBJECT: LEBANON. ASAD EXPRESSED SUPPORT FOR UNSCR 1701, BUT HE VIOLATES IT EVERY DAY. ALLUDING TO THE BAKER-HAMILTON IRAQ STUDY GROUP AND HIS OWN EXPERIENCE IN DEALING WITH CONFLICTS IN CENTRAL AMERICAN AND VIETNAM, SENATOR KERRY SAID HE THOUGHT IT WAS REASONABLE TO ENGAGE WITH IRAN AND SYRIA IN ORDER TO SEE WHAT THESE REGIMES

OLMERT PLANS TO MEET ABBAS

14. (C) OLMERT INFORMED THE CODEL THAT A BILATERAL MEETING WITH PRESIDENT ABBAS MAY OCCUR BEFORE THE NEW YEAR. OLMERT SAID THAT HE HAD BEEN LABORING BEHIND THE SCENES TO MAKE THIS HAPPEN ALL THE WHILE STATING PUBLICLY THAT THE SITUATION WAS NOT RIPE FOR A MEETING SO AS NOT TO RAISE EXPECTATIONS. THIS MEETING, OLMERT SUGGESTED OPTIMISTICALLY, WOULD "SEND A SIGNAL TO THE INTERNATIONAL COMMUNITY THAT SOMETHING IS CHANGING." OLMERT NOTED THAT JORDANIAN KING ABDULLAH IS PARTICULARLY INTERESTED IN SUCH AN EVENT, WHICH, OLMERT PREDICTED, WOULD RESULT IN A POSITIVE JOINT STATEMENT. OLMERT PROMISED THAT ISRAEL WOULD BE "VERY FORTHCOMING." HIS MAJOR CAVEAT CONCERNED HIS OPPOSITION TO RELEASE PALESTINIANS PRISONERS "AS LONG AS CORPORAL SHALIT IS HELD."

ISRAELI EFFORTS TO HELP THE PALESTINIANS

15. (C) SENATOR KERRY ASKED HOW ISRAEL PLANNED TO BE FORTHCOMING TOWARD PRESIDENT ABBAS. OLMERT EXPLAINED THAT HE HAD EXERCISED "SIGNIFICANT RESTRAINT" VIS-A-VIS GAZA, PERSONALLY PREVENTING THE ISRAELI DEFENSE FORCES (IDF) FROM RESPONDING TO QASSAM ROCKETS FIRED IN VIOLATION OF THE CURRENT CEASEFIRE. OLMERT SAID HE IS READY TO MAKE SERIOUS CONCESSIONS REGARDING MOVEMENT AND ACCESS MATTERS THAT HOLD THE POTENTIAL TO IMPROVE THE QUALITY OF LIFE FOR PALESTINIANS. HE CITED, FOR EXAMPLE, HIS SUPPORT FOR USSC GENERAL DAYTON'S PLAN FOR THE KARNI CROSSING, WHICH WOULD PERMIT THE CROSSING OF 450 TRUCKS A DAY INTO GAZA. OLMERT ALSO EXPRESSED WILLINGNESS TO UNFREEZE PALESTINIAN TAX

## REVENUES FOR HUMANITARIAN NEEDS.

- 16. (U) SENATOR DODD SOLICITED OLMERT'S VIEWS ON A POSSIBLE PRESIDENTIAL WAIVER THAT WOULD PERMIT THE RELEASE OF SOME 83 MILLION USD IN U.S. ASSISTANCE TO THE PALESTINIANS. OLMERT RESPONDED THAT HE PLACED A GREATER PRIORITY IN RELEASING PALESTINIAN FUNDS HELD BY ISRAEL, AND WOULD NOT NEED TO OFFER ADVICE TO PRESIDENT BUSH REGARDING THE RELEASE OF U.S. FUNDS. HE ADDED THAT EUROPEAN ENVOYS HAD CONFIDED TO HIM THAT PRESIDENT ABBAS IS, IN FACT, UNSURE AS TO HOW HE COULD MAKE USE OF UNFROZEN FUNDS AT THIS TIME.
- 17. (C) SENATORS KERRY AND DODD ASKED OLMERT FOR HIS PERSPECTIVE ON ABBAS' CALL FOR EARLY ELECTIONS, GIVEN THE UNLIKELIHOOD THAT HAMAS WILL ACCEPT THE TERMS REQUIRED FOR ESTABLISHING AN ACCEPTABLE NATIONAL UNITY GOVERNMENT. OLMERT VENTURED THAT IT MAY MAKE SENSE FOR ABBAS TO SEEK REELECTION AS PRESIDENT BEFORE SETTING A DATE FOR NEW PARLIAMENTARY ELECTIONS. "THIS WOULD REINSTATE HIS PRESIDENTIAL AUTHORITY." OLMERT ALLOWED, HOWEVER, THAT HE WAS AGAINST A "TWO-HEADED GOVERNMENT" COMPRISING THE CURRENT HAMAS GOVERNMENT AND A SECOND, SHADOW GOVERNMENT UNDER ABBAS. SUCH A MOVE WOULD FORCE ABBAS TO ASSUME RESPONSIBILITY FOR ALL FAILURES WHILE HAMAS CONTINUED TO UNDERMINE HIM AND TO BUILD ITS POPULAR BASE VIA ITS DA'WA SYSTEM.

CORRUPTION VERSUS EXTREMISM

18. (C) THE SENATORS EXPRESSED THEIR GENERAL INCREDULITY AT HOW ARAB LEADERS IN IRAQ, LEBANON AND THE PA WERE SUCH POOR POLITICIANS. THESE LEADERS HAD FAILED TO ENGAGE THE MAN-ON-THE-STREET, AND STOOD TO LOSE THEIR POLITICAL AUTHORITY AS A RESULT. SENATOR KERRY DESCRIBED HOW HAMAS CATERS TO ITS CLIENTELE BY SECURING SUPPORT FROM ITS BACKERS TO BUILD CLINICS AND SCHOOLS, AND HE EXPRESSED HIS AMAZEMENT THAT HIZBALLAH WAS ABLE TO GET THE THREE CRITICAL MINISTRIES CAPABLE OF AFFECTING THE LIVES OF THE AVERAGE LEBANESE. IN SHORT, SENATOR KERRY CONCLUDED, "THE RADICAL EXTREMISTS ARE WORKING HARDER THAN WE ARE."

19. (C) PRIME MINISTER OLMERT AGREED WITH THE CHALLENGE POSED BY "CLEAN" RELIGIOUS GROUPS TO THE ESTABLISHED, "CORRUPT" POLITICAL ORDER IN THE REGION. BUT HE ASSESSED THAT GIVEN THESE GROUPS' SUPPORT FOR TERRORISM, THIS LEFT NO CHOICE BUT TO CHOOSE CORRUPTION OVER SUICIDE BOMBERS. SENATOR DODD AGREED WITH OLMERT ON THE DILEMMA, BUT STRESSED THAT "CORRUPTION CANT WIN."

## COMBATTING EXTREMISM

IN ORDER TO SUCCEED.

110. (C) SENATOR KERRY ASSESSED THAT THE PHENOMENON OF RELIGIOUS EXTREMISM IS BECOMING MORE INTERCONNECTED AND DANGEROUS THAN IT HAS BEEN IN YEARS PAST, AND HE EMPHASIZED TO OLMERT THAT "WE ARE NOT FIGHTING AS EFFECTIVELY AS WE COULD." WE APPEAR TO HAVE LOST THE HIGH MORAL GROUND THAT SENDS A MESSAGE TO THE MAN ON THE STREET THAT WE ARE IN TOUCH WITH HIM, SENATOR KERRY ADDED. SENATOR DODD STRESSED THAT IRAN'S GROWING INFLUENCE IN THE REGION PRESENTED ARAB STATES IN THE REGION WITH A CHOICE: TO DEAL WITH ISRAEL OR FACE DISINTEGRATION A LA LEBANON AND IRAQ. HE ENCOURAGED OLMERT TO SEIZE THE MOMENT TO FORM NEW COALITIONS BEFORE SUCH STATES "CUT DEALS WITH IRAN." OLMERT ACKNOWLEDGED THERE IS A GLIMPSE OF HOPE, AND PROMISED THAT HE IS READY TO EXPLORE THESE POSSIBILITIES: "WE'VE ESTABLISHED CONTACTS WITH ALL OF THESE ARAB STATES, INCLUDING SAUDI ARABIA, THE UAE, AND OF COURSE, JORDAN AND EGYPT." OLMERT NOTED THAT HE HAD MADE POSITIVE PUBLIC REFERENCE TO PARTS OF THE SAUDI PEACE INITIATIVE, AND EXPRESSED READINESS TO "DO THINGS NEVER DONE BY AN ISRAELI PRIME MINISTER." HE CAUTIONED THE SENATORS ABOUT PITFALLS IN DEALING WITH THE PALESTINIANS IN THE PAST AND UNDERSCORED THAT ISRAEL HAD TO SHOW FIRMNESS AND STRENGTH

111. (U) CODEL DODD/KERRY HAS CLEARED THIS MESSAGE.

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